



RECEIVED

(JAN 13 1997)

U.S. Department of Justice

United States Attorney
District of New Jersey
Civil Division

MITCHELL H. COHEN COURTHOUSE
ONE JOHN F. GERRY PLAZA
Fourth & Cooper Streets Room 2070
P.O. Box 1427
Camden, New Jersey 08101

609/757-5412
FAX 609/757-5416

January 13, 1997

Gregory A. Jaffe
Trial Attorney
Environmental Enforcement Section
Environment & Natural Resources Division
U.S. Department of Justice
P. O. Box 7611
Washington, DC 20044-7611

Re: First National Bank, et al. v. EPA
Civil Action No. 95-6003 (JHR)

Dear Mr. Jaffe:

Enclosed please find documents with reference to the
above matter as follows:

<input type="checkbox"/> Summons/Complaint	<input type="checkbox"/> Stipulation of Dismissal
<input type="checkbox"/> Answer	<input type="checkbox"/> Opinion
<input type="checkbox"/> Notice of Motion	<input type="checkbox"/> Order
<input type="checkbox"/> Brief/Memorandum of Law	<input type="checkbox"/> Declaration
<input type="checkbox"/> Interrogatories	<input type="checkbox"/> Certification
<input type="checkbox"/> Answers to Interrogatories	<input type="checkbox"/> Request to Enter Default
<input type="checkbox"/> Notice to Take Deposition	<input type="checkbox"/> Judgment
<input type="checkbox"/> Request for Production of Documents	<input type="checkbox"/> Release
<input type="checkbox"/> Response to Request for Production of Documents	<input type="checkbox"/> Pretrial Order
<input type="checkbox"/> Request for Admission	<input type="checkbox"/> Request for medical/ employment information
<input checked="" type="checkbox"/> Filed Settlement Agreement	

Very truly yours,

FAITH S. HOCHBERG
United States Attorney

Paul A. Blaine *ged*
By: PAUL A. BLAINE
Assistant U. S. Attorney

Encl
cc: Virginia Curry ✓
Assistant Regional Counsel
Robin Richardson

238372



IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY

First National Bank, et al.,

Plaintiff,

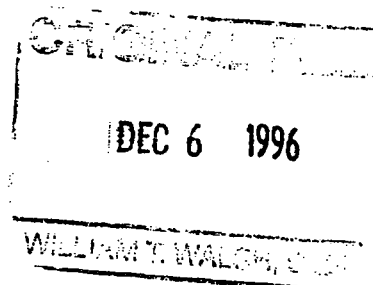
v.

Environmental Protection
Agency

Defendant.

CIVIL ACTION NO. 95-6003 (JHR)

SETTLEMENT AGREEMENT



I. BACKGROUND

A. In 1986, the United States filed an action under the Resource Conservation and Recovery Act ("RCRA") against Vineland Chemical Company, Inc., Arthur Schwerdtle, and Miriam Schwerdtle, for injunctive relief and civil penalties. United States v. Vineland Chemical Co., et al., Civil Action No. 86-1936 (JFG). On April 30, 1990, then Chief Judge Gerry entered judgment in this action, finding the defendants liable to the United States for a penalty of \$1,223,000. The judgment was upheld by the Third Circuit on March 7, 1991.

B. In 1990, the United States filed a complaint pursuant to Section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), against Vineland Chemical Co., Arthur Schwerdtle, and Miriam Schwerdtle, seeking reimbursement of response costs that it had incurred remediating the Vineland Chemical Co. Superfund Site. United States v. Vineland Chemical Co., et al., Civil Action No. 90-1486 (JFG). The complaint in the CERCLA action also alleged a claim for relief based upon the New Jersey Fraudulent Conveyance Act, N.J.S. §§ 25:2-1, et seq.

C. In January, 1994, the United States filed with the Court a Consent Decree in the RCRA and CERCLA Actions that resolved the liability to the United States of the Vineland Chemical Co., the Estate of Arthur Schwerdtle, and Miriam Schwerdtle ("Settling Defendants"). This Consent Decree was entered by Judge Gerry as a final judgment on February 7, 1994.

Under the terms of the Consent Decree, Miriam Schwerdtle agreed to transfer almost all of Settling Defendants' assets to two trusts ("Trust A" and "Trust B"), of which the United States is the beneficiary. The Consent Decree established the First National Bank of Elmer ("Bank of Elmer") as the Trustee for Trust A and Gary D. Wodlinger of Vineland, New Jersey, as the Trustee for Trust B.

D. On August 21, 1994, Miriam Schwerdtle was murdered in her residence. In December, 1994, Sharon R. Ganz and Roberta Spitzer, qualified as the executrices under Mrs. Schwerdtle's will. Thereafter they filed with the Internal Revenue Service a request for a private letter ruling on the liability of the Estate of Miriam Schwerdtle, deceased, which ruling was issued on June 24, 1996. That ruling determined that an Estate Tax Return would need to be filed for the Estate.

E. The Executors allege that the Estate is valued at more than \$600,000 and that the assets of the Estate consisted entirely of assets under the control of the trustees for Trust A and Trust B. The Executors requested that Trust A and/or Trust B fund the cost of preparing the Federal Estate tax return and the New Jersey Inheritance tax return. These requests were denied, absent approval of this Court for such expenditures. Thus, to date, no tax returns have been filed by the Estate.

E. On October 18, 1995, Plaintiff, the Bank of Elmer filed a complaint in the Superior Court of New Jersey, Chancery Division - Probate Part, Salem County. In its complaint, the

Bank of Elmer requested that the Superior Court approve its accounting of Trust A and instruct the Bank of Elmer as to the distribution of the funds in Trust A. On November 27, 1995, the United States filed a notice removing the Plaintiff's state action to the United States District Court for the District of New Jersey.

F. The Parties to this Settlement Agreement agree, and this Court by entering this Settlement Agreement finds, that this Settlement Agreement has been negotiated by the Parties in good faith, that settlement of this matter will avoid prolonged and complicated litigation between the Parties, and that this Settlement Agreement is fair, reasonable, and in the public interest.

THEREFORE, with the consent of the Parties to this Settlement Agreement, it is hereby ORDERED:

II. JURISDICTION

1. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331 and 42 U.S.C. §§ 9613(b). The Parties consent to and shall not challenge entry of this Settlement Agreement or this Court's jurisdiction to enter and enforce this Settlement Agreement.

III. PARTIES BOUND

2. This Settlement Agreement is binding upon all Parties who have signed this Settlement Agreement

IV. DEFINITIONS

3. Whenever terms listed below are used in this Settlement Agreement or in any appendix attached hereto, the following definitions shall apply:

a. "Accounting for Trust A" shall mean the accounting found in Appendix 1 of this Settlement Agreement.

b. "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. § 9601, et seq.

c. "Consent Decree" shall mean the Consent Decree and all appendices attached hereto that was entered by the District Court for the District of New Jersey on February 7, 1994, in United States v. Vineland Chemical Co., et al., Civil Action No. 90-1486 (JFG).

d. "Day" shall mean a calendar day. In computing any period of time under this Settlement Agreement, where the last day would fall on a Saturday, Sunday, or federal holiday, the period shall run until the close of business of the next working day.

e. "DOJ" shall mean the United States Department of Justice and any successor departments, agencies or instrumentalities of the United States.

f. "EPA" shall mean the United States Environmental Protection Agency and any successor departments, agencies or instrumentalities of the United States.

g. "EPA Hazardous Substance Superfund" shall mean the Hazardous Substance Superfund established by the Internal Revenue Code, 26 U.S.C. § 9507.

h. "Executors of the Estate of Miriam Schwerdtle" or "Executors" shall mean Sharon R. Ganz and Roberta Spitzer.

i. "Paragraph" shall mean a portion of this Settlement Agreement identified by an arabic numeral or an upper or lower case letter.

j. "Party" or "Parties" shall mean the United States, the Executors of the Estate of Miriam Schwerdtle, the Trustee for Trust A, the Trustee for Trust B, and David Ganz, the counsel for the Estate of Miriam Schwerdtle.

k. "Plaintiff" shall mean the Bank of Elmer.

l. "Section" shall mean a portion of this Settlement Agreement identified by a Roman numeral.

m. "Site" shall mean the Vineland Superfund Site, which includes all areas where hazardous substances originating from the Vineland Chemical Company have come to be located and all areas in close proximity to these hazardous substances which are necessary for implementation of the response action. The Site consists of three areas: the plant site located at or near 1611 West Wheat Road in the City of Vineland, Cumberland County, New Jersey; the river areas including the Blackwater Branch and the seven mile section of the Maurice River between the Blackwater Branch and Union Lake; and Union Lake itself, an 870 acre impoundment on the Maurice River.

n. "Trust A" shall mean the Trust established in the Consent Decree at Paragraph 7 and Appendix A.

o. "Trust B" shall mean the Trust established in the Consent Decree at Paragraph 8 and Appendix B.

p. "Trustee for Trust A" shall mean the Bank of Elmer.

q. "Trustee for Trust B" shall mean Mr. Gary Wodlinger.

r. "United States" shall mean the United States of America, including its departments, agencies and instrumentalities.

V. OBLIGATIONS AND DISPOSITION OF TRUST A

4. The Trustee for Trust A has provided the Parties with an accounting for Trust A through August 21, 1996, which is attached to this Settlement Agreement as Appendix 1. According to this accounting, Trust A is comprised of a total of \$511,816.41. From this total amount, under the Consent Decree and State law, the Trustee for Trust A is entitled to Corpus Commissions of \$14,600.00 and Income Commissions of \$3,285.87. The Trustee of Trust A has already taken income commissions of \$2,141.51, thereby leaving a balance of income commissions due to the Trustee of \$1,144.36. In addition, under the Consent Decree, the Trustee for Trust A is entitled to be paid from the principal of Trust A the Trustee's administrative expenses. The Trustee for Trust A has stated that its administrative expenses consist solely of \$16,000.00 in counsel fees.

5. By signing this Settlement Agreement, all Parties to this Settlement Agreement approve the Accounting of Trust A set forth in Paragraph 4 above and Appendix A.--

6. In resolution of all claims alleged in the Complaint and in satisfaction of all claims that the Trustee may have regarding any portion of the Trust assets and any claims arising from the circumstances giving rise to such claims, the Trustee for Trust A shall retain for itself from the principal of Trust A the sum of \$31,744.36. This amount shall satisfy any and all claims that the Trustee for Trust A has for commissions, administrative expenses and all other claims of any kind, including attorney fees, under Trust A of the Consent Decree and the laws of the State of New Jersey.

7. The Trustee for Trust A shall pay to the United States within thirty days of the entry of the Settlement Agreement the balance of Trust A together with accrued income and interest from August 21, 1996, through the date of payment less any income taxes due from Trust A. Payment shall be made by FedWire Electronic Funds Transfer ("EFT") to the U.S. Department of Justice account in accordance with current EFT procedures, referencing USAO File Number _____, the EPA Region and Site Spill ID Number 02B8, and DOJ Case Number 90-11-2-485B. Payment shall be made in accordance with instructions provided to the Trustee for Trust A by the Financial Litigation Unit of the U.S. Attorney's Office in the District of New Jersey following entry of this Settlement Agreement. Any payments received by the

Department of Justice after 4:00 p.m. Eastern Time shall be credited on the next business day. The Trustee for Trust A shall send notice to EPA and DOJ that payment has been made in accordance with Section XI (Notices and Submissions).

VI. OBLIGATIONS OF EXECUTORS OF THE ESTATE OF MIRIAM SCHWERTDLE

8. The Executors hereby approve the Accounting of Trust A set forth in Paragraph 4 above and attached here as Appendix 1.

9. The Executors of the Estate of Miriam Schwerdtle have signed or shall sign if requested to do so, any and all settlement agreements between Vineland Chemical Co. and Miriam Schwerdtle, and their insurance carriers in Vineland Chemical Co., Inc. v. INA, et al., No. L-861-92. The Executors hereby surrender any and all claims to any of the insurance settlement proceeds they may have on behalf of the Estate of Miriam Schwerdtle, the Executors of the Estate of Miriam Schwerdtle, and/or any beneficiaries of the Estate of Miriam Schwerdtle. The Executors of the Estate of Miriam Schwerdtle agree that all funds received from any settlements in Vineland Chemical Co., Inc. v. INA, et al., No. L-861-92 shall be paid solely to Trust B, the current owner of the insurance claims of Miriam Schwerdtle and Vineland Chemical Co. The Executors of the Estate of Miriam Schwerdtle have already borne and shall bear their own costs, including attorney fees, in carrying out any of their obligations under this Paragraph of the Settlement Agreement, except that Trust B has already paid to Mr. Ganz \$1,000 in full satisfaction

of any claim Mr. Ganz, the Executors, or the Estate may have against Trust B for reimbursement for expenses, including attorney fees, related to the obligations under this Paragraph.

10. The Executors of the Estate of Miriam Schwerdtle agree to the substitution of the Trustee for Trust B as the new Executor of the Estate of Miriam Schwerdtle. The Executors of the Estate of Miriam Schwerdtle shall carry out any and all actions necessary to effectuate this substitution under New Jersey law. The Executors of the Estate of Miriam Schwerdtle shall bear any and all costs, including filing fees and counsel fees, that they may incur in effectuating the substitution pursuant to this paragraph.

11. The Executors or any Successor Executor agree to carry out any actions requested by the Trustee for Trust A or the Trustee for Trust B to effectuate the terms of the Consent Decree, including but not limited to obtaining and completing the necessary legal documents to effectuate the transfers of funds in the following three Bank of Elmer accounts to Trust B: (1) Account # 56-202608-6, (2) Account # 56-300408-2, and (3) Account # 56-214143-0. The Executors of the Estate of Miriam Schwerdtle shall bear their own costs, including attorney fees, in carrying out any of their obligations under this Paragraph of the Settlement Agreement.

12. By signing this settlement document, the Executors of the Estate of Miriam Schwerdtle agree that Miriam Schwerdtle voluntarily entered into the Consent Decree entered in United

States v. Vineland Chemical Co., et al. No.90-1486, and that the Consent Decree is a valid judgment.

VII. OBLIGATIONS OF TRUST B

13. Within five days of (1) completion of the actions required by the Executors of the Estate of Miriam Schwerdtle pursuant to Paragraphs 8-10 above, and (2) the receipt by Trust B of the insurance settlement proceeds from Vineland Chemical Co., Inc. v. INA, et al., No. L-861-92, Trust B shall pay to the Executors \$25,000 in settlement of all claims addressed in this Settlement Agreement. Payment shall be made by Bankwire and shall be sent to Ganz, Hollinger & Towe, Attorney Trust A/C, Morgan Guaranty Trust Co, F/B/O/ Schwerdtle Executrices, ABA Routing Number. The Trustee for Trust B shall provide the United States with notice of any payments made under this Paragraph, in accordance with Section IX (Notices and Submissions).

14. The Trustee for Trust B agrees to pay to the United States all funds it receives from any settlements in Vineland Chemical Co., Inc. v. INA, et al., No. L-861-92 as required under paragraph 19 of the Consent Decree within thirty days of receipt of the funds after allowance for any taxes due. All Parties to this Settlement Agreement agree not to challenge any payments required by paragraph 19 of the Consent Decree.

15. The Trustee for Trust B shall provide to the Parties a true and complete copy of the Federal 706 Estate tax return and the New Jersey Inheritance tax return within 10 days of their filing.

VIII. CLAIMS RESOLVED BY THIS AGREEMENT

16. This Settlement Agreement resolves all claims against the United States, the Consent Decree, Trust A, and/or Trust B that have been or could have been asserted by or on behalf of the Estate of Miriam Schwerdtle and the Executors of the Estate of Miriam Schwerdtle, in their individual capacity, in their capacity as Executors, and in their capacity as beneficiaries under Miriam Schwerdtle's will, including but not limited to the following:

a. All claims for commissions under Federal and/or State law;

b. All claims for past and/or future administrative expenses incurred by the Estate of Miriam Schwerdtle and/or the Executors of the Estate of Miriam Schwerdtle;

c. All claims for past and/or future attorney fees, costs or expenses under any statute, including but not limited to the Equal Access to Justice Act, or federal or local rule, incurred by the Estate of Miriam Schwerdtle and/or the Executors of the Estate of Miriam Schwerdtle;

d. All claims to any of the assets of Miriam Schwerdtle, the Estate of Arthur Schwerdtle, or Vineland Chemical Co. that were transferred to Trust A, Trust B, or the United States under the terms of the Consent Decree;

e. All claims to any of the assets of Miriam Schwerdtle, the Estate of Arthur Schwerdtle, or Vineland Chemical Co. that

were not transferred to Trust A, Trust B, or the United States under the terms of the Consent Decree;

f. All claims to any of the monies already received or to be received by Vineland Chemical Co., and/or the Estate of Miriam Schwerdtle from any insurance settlements in Vineland Chemical Co., Inc. v. INA, et al., No. L-861-92.

g. All claims under the Will of Miriam Schwerdtle;

h. All claims to the funds to be paid to the United States and the Bank of Elmer from Trust A in accordance with this Settlement Agreement;

i. All claims to any of the monies or property seized by the United States pursuant to a Court order entered on May 19, 1994, by Chief Judge Gerry;

j. All claims for any costs incurred in substituting the Trustee for Trust B as the Executor of the Estate of Miriam Schwerdtle;

k. All claims that the Consent Decree in United States v. Vineland Chemical Co. et al., No. 90-1486, is not a valid judgment against Miriam Schwerdtle, the Estate of Miriam Schwerdtle, the Estate of Arthur Schwerdtle, and/or Vineland Chemical Co.;

l. All claims to the funds contained in the three Bank of Elmer accounts identified in Paragraph 11 of this Settlement Agreement; and

m. Any other claims that might be made to invalidate, challenge or object to any actions that are being carried out by

the United States, the Trustee for Trust A, or the Trustee for Trust B to effectuate the terms of the Consent Decree.

17. This Settlement Agreement resolves any and all claims that Trust A and Trustee for Trust A have pleaded against the United States in this action and any claims that they may have against the United States arising from their administration of Trust A, in either an official or individual capacity.

18. This Settlement Agreement resolves all past and future claims of any kind by Sharon Ganz, Roberta Spitzer, and/or David Ganz against Trust B, the Trustee of Trust B and/or the United States for (1) any claims arising out of or from the assets of Miriam Schwerdtle, Arthur Schwerdtle, and/or Vineland Chemical Co., (2) any claims that could have been brought in this Action, and (3) any claims that relate in any manner to the United States v. Vineland Chemical Co., et al, 86-1936 or United States v. Vineland Chemical Co., et al., 90-1486.

19. Notwithstanding any other provision of this Settlement Agreement, if the Internal Revenue Service brings an action against the Executors for not filing a timely estate tax return, the Executors shall not be precluded from defending such action and requesting from the United States any such relief as is provided by law.

IX. NOTICES AND SUBMISSIONS

20. Whenever, under the terms of this Settlement Agreement, notice is required to be given or a document is required to be sent by one party to another, it shall be directed

to the individuals at the addresses specified below, unless those individuals or their successors give notice of a change to the other Parties in writing. Written notice as specified herein shall constitute complete satisfaction of any written notice requirement of the Settlement Agreement with respect to the Parties, respectively.

As to the United States:

As to DOJ:

Chief, Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Department of Justice
P.O. Box 7611
Washington, D.C. 20044-7611
Case # 90-11-2-485B

Chief, Environmental Defense Section
Environment and Natural Resources Division
U.S. Department of Justice
P.O. Box 23986
Washington, D.C. 20026-3986
Case # 90-11-3-1592

As to EPA:

Virginia A. Curry
Office of Regional Counsel
United States Environmental Protection Agency
290 Broadway - 17th Floor
New York, New York 10007-1866

and for any notice of the transmittal of payments to EPA:

Section Chief
Accounting Operations Section
Financial Management Branch
United States Environmental Protection Agency
290 Broadway
New York, New York 10007-1866

As to the Trustee for Trust A:

Acton, Point & Demarest
181 East Avenue
P.O. Box 284

Woodstown, NJ 08098

As to the Trustee for Trust B:

Gary D. Wodlinger, Esq.
Lipman, Antonelli, Batt, Dunlap, Wodlinger, & Gilson
110 North Street
P.O. Box 280
Vineland, New Jersey 08360

As to the Executors of the Estate of Miriam Schwerdtle:

David L. Ganz, Esq.
Ganz, Hollinger & Towe
1394 Third Avenue
New York, New York 10021

X. RETENTION OF JURISDICTION

21. This Court shall retain jurisdiction over this matter for the purpose of interpreting and enforcing the terms of this Settlement Agreement.

XI. INTEGRATION

22. This Settlement Agreement with appendices constitutes the final, complete and exclusive agreement and understanding among the Parties with respect to the settlement embodied in this Settlement Agreement. The Parties acknowledge that there are no representations, agreements or understandings relating to the settlement other than those expressly contained in this Settlement Agreement.

XII. EFFECTIVE DATE

23. The effective date of this Settlement Agreement shall be the date upon which it is entered by the Court.

XIII. SIGNATORIES/SERVICE

24. Each undersigned representative of a Party to this Settlement Agreement and the Assistant Attorney General for the Environment and Natural Resources Division of the United States Department of Justice certifies that he or she is authorized to enter into the terms and conditions of this Settlement Agreement and to execute and bind legally such Party to this document.

25. The Parties hereby agree not to oppose entry of this Settlement Agreement by this Court or to challenge any provision of this Settlement Agreement.

26. Each Party shall identify, on the attached signature page, the name and address of an agent who is authorized to accept service of process by mail on behalf of that Party with respect to all matters arising under or relating to this Settlement Agreement. As to any subsequent enforcement of this Settlement Agreement, the Parties except the United States hereby agree to accept service in that manner and to waive the formal service requirements set forth in Rule 4 of the Federal Rules of Civil Procedure and any applicable local rules of this Court, including but not limited to, service of a summons.

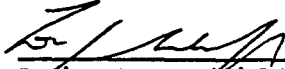
SO ORDERED THIS 6th DAY OF December, 1996.

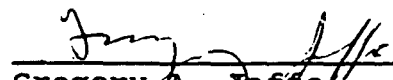

United States District Judge

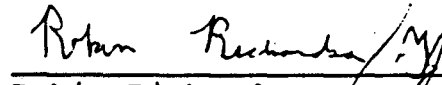
THE UNDERSIGNED PARTIES enter into this Settlement Agreement in the matter of the Bank of Elmer v. Environmental Protection Agency No. 95-6003 (JHR), relating to the Vineland Chemical Superfund Site.

FOR THE UNITED STATES OF AMERICA

Date: 4/27/86


Lois J. Schiffer
Assistant Attorney General
Environment and Natural
Resources Division
U.S. Department of Justice
Washington, D.C. 20530

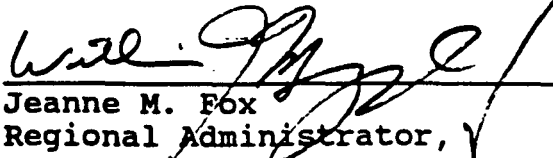

Gregory A. Jaffe
Trial Attorney
Environmental Enforcement
Section
Environment and Natural
Resources Division
U.S. Department of Justice
P.O. Box 7611
Washington, DC 20044-7611


Robin Richardson
Trial Attorney
Environmental Defense
Section
Environment and Natural
Resources Division
U.S. Department of Justice
Washington, DC

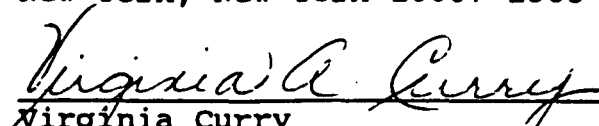
Faith S. Hochberg
United States Attorney
District of New Jersey

Paul C. Blaine
Assistant United States
Attorney
United States Attorney's
Office
401 Market Street
Camden, New Jersey 08101

For the United States
Environmental Protection Agency



Jeanne M. Fox
Regional Administrator, ✓
Region II
U.S. Environmental Protection
Agency
290 Broadway
New York, New York 10007-1866

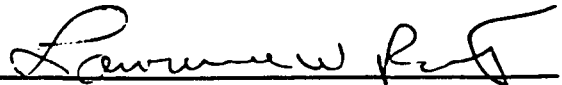


Virginia Curry
Assistant Regional Counsel
U.S. Environmental Protection
Agency
290 Broadway
New York, New York 10007-1866

THE UNDERSIGNED PARTIES enter into this Settlement Agreement in the matter of the Bank of Elmer v. Environmental Protection Agency No. 95-6003 (JHR), relating to the Vineland Chemical Superfund Site.

FOR THE BANK OF ELMER

Date: 10/25/96


LAWRENCE W. POINT
ACTON, POINT & DEMAREST
Attorneys for Plaintiff

Agent Authorized to Accept Service on Behalf of Above-signed Party:

Name: Lawrence W. Point, Esq.

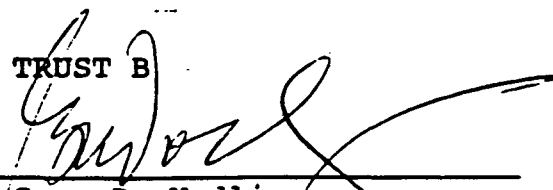
Address: c/o ACTON, POINT & DEMAREST
181 East Avenue
P.O. Box 284
Woodstown, NJ 08098

THE UNDERSIGNED PARTIES enter into this Settlement Agreement in the matter of the Bank of Elmer v. Environmental Protection Agency No. 95-6003 (JHR), relating to the Vineland Chemical Superfund Site.

Date: _____

10-29-96

FOR TRUST B



Mr. Gary D. Wodlinger
Lipman, Antonelli, Batt,
Dunlap, Wodlinger & Gilson
110 North Sixth Street
P.O. Box 280
Vineland, NJ 08360

Agent Authorized to Accept Service on Behalf of Above-signed Party:

Name: Mr. Gary D. Wodlinger

Address: Lipman, Antonelli, Batt,
Dunlap, Wodlinger & Gilson
110 North Sixth Street
P.O. Box 280
Vineland, NJ 08360

THE UNDERSIGNED PARTIES enter into this Settlement Agreement in the matter of the Bank of Elmer v. Environmental Protection Agency No. 95-6003 (JHR), relating to the Vineland Chemical Superfund Site.

FOR THE ESTATE OF MIRIAM SCHWERDTLE AND THE EXECUTORS OF THE ESTATE OF MIRIAM SCHWERDTLE

Date: Oct. 25 1996.

Sharon R. Ganz
Ms. Sharon Ganz
Individually and as Executor
of the Estate of Miriam
Schwerdtle
10-06 Ellis Avenue
Fairlawn NJ 07410

Date: Oct. 24 1996.

Roberta Spitzer
Ms. Roberta Spitzer
Individually and as Executor
of the Estate of Miriam
Schwerdtle
1185 Hemlock Farm
Holly, PA 18428

Date: Oct 25 1996.

David L. Ganz
Mr. David Ganz
Individually and as Counsel
for the Executors of the
Estate of Miriam Schwerdtle
Ganz, Hollinger & Towe
1394 3rd Avenue
New York, New York 10021

Agent Authorized to Accept Service on Behalf of Above-signed Parties:

Name: David L. Ganz, Esq.

Address: Ganz, Hollinger & Towe
1394 Third Avenue
New York, New York 10021

APPENDIX 1

ACTON & POINT
181 East Avenue, P.O. Box 284
Woodstown, New Jersey 08098
(609) 769-0780
Attorneys for Plaintiff

SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION
PROBATE PART - SALEM COUNTY
DOCKET NO.

IN THE MATTER :
OF THE : Civil Action
TRUST FOR MIRIAM SCHWERDTLE : ACCOUNTING
(Known as TRUST "A") :

As To Corpus

Accountant charges itself to start account:

1994

Mar 28 Received from Miriam Schwerdtle O.T.F.
agreement to fund Trust "A" fee to
commence April 1, 1994. \$500,000.00

Accountant craves allowances.

1994

May 11 Distributed to Miriam Schwerdtle -
Monthly support as per Section 11,
Paragraph 1 of Trust. 4,333.33
Jun 14 Distributed to Miriam Schwerdtle -
Monthly support as per Section 11,
Paragraph 1 of Trust. 4,333.33
Jul 11 Distributed to Miriam Schwerdtle -
Monthly support as per Section 11,
Paragraph 1 of Trust. 4,333.33
Aug 13 Distributed to Miriam Schwerdtle -
Monthly support as per Section 11,
Paragraph 1 of Trust. 4,333.33
Balance carried forward \$17,333.22

Corpus Allowances -

Balance carried forward. \$ 17,333.32

1995

Apr 7 Alan Newkirk & Company -
Preparation of 1994 U.S. and N.J.
Fiduciary Tax Returns. 215.00
Total Allowances \$17,548.32

SUMMARY AS TO CORPUS

Accountant charges itself with \$500,000.00
Accountant craves allowances for 17,548.32
Balance of Corpus in hands of accountant . . . \$482,451.68

As To Income

1994 Accountant charges itself with:

Jul 1 Interest paid First Natl Bk of Elmer
Passbook Savings Principal. \$ 1,092.90
Sep 30 Interest received U.S. Treas Note 3,675.72
Oct 5 Interest from Passbook Savings A/C
Principal 138.17
13 Interest received U.S. Treas 182 Bill 3,157.35

1995

Jan 3 Interest First Natl Bk of Elmer
Passbook Savings Principal. 1,168.18
Mar 31 Interest U.S. Treas Note 5 1/8 due 3/31/96. . . 3,843.75
Apr 7 Interest on Savings a/c Principal 1,397.02
May 4 Interest U.S. Treas 4.77% bill due 5/4/95 . . . 8,440.25
Jul 3 Interest First Natl Bk of Elmer
Passbook Savings. 2,346.27
Oct 1 Interest Passbook Savings Principal 2,909.00
Sep 30 Interest U.S. Treas Note 5 1/8 due 3/31/96 . . 3,843.75
Total Charges \$ 32,012.36

Accountant craves allowances for;

1995

Apr 7 State of N.J. T.G.I, Form 1041. \$ 40.00
I.R.S. Tax Form 1041 for 1994 3,051.89
Total Allowances. \$3,091.89

SUMMARY AS TO INCOME

Accountant charges itself with \$32,012.36
Accountant craves allowances for. 3,091.89
Balance of Income in hands of accountant . \$28,920.47

RECAPITULATION

Balance of Corpus. \$482,451.68
Balance of Income. 28,920.47
Total Estate \$511,372.15

THE FIRST NATIONAL BANK
OF ELMER

October 3, 1995

By Elsie J. Huster
Elsie J. Huster
Trust Officer

Corpus Allowances -

Balance carried forward. \$ 17,333.32

1995

Apr 7 Alan Newkirk & Company -
Preparation of 1994 U.S. and N.J.
Fiduciary Tax Returns. 215.00
Total Allowances \$17,548.32

SUMMARY AS TO CORPUS

Accountant charges itself with \$500,000.00
Accountant craves allowances for 17,548.32
Balance of Corpus in hands of accountant . . . \$482,451.68

As To Income

1994 Accountant charges itself with:

Jul 1 Interest paid First Natl Bk of Elmer
Passbook Savings Principal. \$ 1,092.90
Sep 30 Interest received U.S. Treas Note 3,675.72
Oct 5 Interest from Passbook Savings A/C
Principal 139.17
13 Interest received U.S. Treas 182 Bill 3,157.35

1995

Jan 3 Interest First Natl Bk of Elmer
Passbook Savings Principal. 1,168.18
Mar 31 Interest U.S. Treas Note 5 1/8 due 3/31/96. . . . 3,843.75
Apr 7 Interest on Savings a/c Principal 1,397.02
May 4 Interest U.S. Treas 4.77% bill due 5/4/95 8,440.25
Jul 3 Interest First Natl Bk of Elmer
Passbook Savings. 2,346.27
Oct 1 Interest Passbook Savings Principal 2,909.00
Sep 30 Interest U.S. Treas Note 5 1/8 due 3/31/96 . . . 3,843.75
Total Charges \$ 32,012.36

SCHEDULE A

The following is a full statement or list of the investments and assets composing the balance of the estate in accountant's hands:

<u>DESCRIPTION</u>	<u>INVESTMENT</u>	<u>MARKET VALUE</u>
U.S. Treas 5 1/8% Note DID 3/31/94 Due 3/31/96	\$149,507.61	\$149,532.00
First Natl Bk of Elmer Passbook - Income	28,920.47	28,920.47
First Natl Bk of Elmer Passbook - Principal	<u>332,943.87</u>	<u>332,943.87</u>
Total Investments.	\$511,372.15	\$511,396.34

SCHEDULE B

The following is a full statement of all changes made in the investments and the assets, together with the dates when the changes were made:

STATEMENT OF ALL CHANGES IN ASSETS

1994

Mar 28	Received from Miriam Scwerdtle OTF Agreement to Trust "A" fund in 1st Natl Bk of Elmer Passbook Savings - principal - present balace	\$500,000.00
Apr 8	Purchase U.S. Treas 5 1/8% Note due 3/31/96 \$150,000.00 face	\$149,507.81
Apr 14	Purchase US Treas 182 Day Bill 4/03% due 10/13/94 - matured 10/13/84 and placed in principal passbook savings a/c	151,842.65

SCHEDULE B - Continued

1994 5

May	5	Purchase US Treas 52 week bill @ 4.77% due 5/4/95 - matured 5/5/95 and placed in Principal Passbook Savings a/c - net	\$166,559.75
Jul	1	First Natl Bk of Elmer Passbook Savings - <u>Income</u> opened and income earned from time to time deposited therein. At present time shows a balance of	\$ 28,920.47

SCHEDULE C

The followins is a full statement as to items apportioned between principal and income, showing the apportionments made:

None

SCHEDULE D

The following is a full statement as to apportionments made with respect to Transfer Inheritance or Estate Taxes.

None

SCHEDULE E

The following is a full statement of allocation where counsel fees, commissions and other administration expenses have been paid out of corpus, but the benefits of the deductions from corpus have been allocated in part or in whole to income beneficiaries for tax purposes.

None

SCHEDULE F

The following is a full statement showing how the commission requested with respect to corpus are computed and a summary of the assets or property not appearing in the account on which such commissions are based, together with a statement with regard to the computation of income commissions:

Corpus Commissions under present Statute
(3B:18-25(a) and 3B:18-28 as amended)

Annual Commissions	4,600.00
Distribution Commission - 500,000 x 2%. .	<u>10,000.00</u>
Total Corpus Commission	\$14,600.00

Income Commission

Total Income - \$32,012.36 x 6%.	\$ 1,920.74
--	-------------

STATE OF NEW JERSEY:

:ss.

COUNTY OF SALEM :

ELSIE J. HUSTER, being duly sworn according to law,
upon her oath deposes and says:

1. I am the Trust Officer of The First National Bank
of Elmer and have reviewed the foregoing account, and same is
true to the best of my information and belief.

Elsie J. Huster

ELSIE J. HUSTER

Sworn and subscribed to:

before me this 10th:

day of October, 1995:

Carol Miller
City of NJ

ACTON, POINT & DEMAREST
181 East Avenue, P.O. Box 284
Woodstown, NJ 08098
(609) 769-0780

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY

CIVIL NO. 1-95 cv 6003

FIRST NATIONAL BANK OF ELMER, :
ET AL.

Plaintiff

: AFFIDAVIT

v.

: (JHR)

EPA,

Defendant.

STATE OF NEW JERSEY :

:ss.

COUNTY OF SALEM :

ELSIE J. HUSTER, being duly sworn upon her oath, deposes and says:

1. I am the Trust Officer of The First National Bank of Elmer, Trustee of Trust "A" in the above matter. Attached hereto and made a part hereof is a supplemental accounting of the Trustee showing as Schedule A the income and disbursements since the accounting filed herein and as Schedule B the assets and market value as of August 21, 1996.

Sworn and subscribed to:
before me this 27th
day of August :

Elsie J. Huster
ELSIE J. HUSTER

Darford W. Acton, Jr.
DARFORD W. ACTON, JR.
ATTORNEY-AT-LAW OF NEW JERSEY

Schedule A.

FIRST NATIONAL BANK OF ELMER

TRANSACTION JOURNAL
12/27/95 to 07/23/96
ACCOUNT 49 SCHWEDLE TRUST "A" U/A 7/14/93

PAGE 1
REPORT MT-623
07/23/96

DATE	TRANSACTION DESCRIPTION	IC	AST	UNITS	INCOME CASH	PRINCIPAL CASH	INVESTMENT/ TAX COST	SHORT TERM GAIN/LOSS	LONG TERM GAIN/LOSS
01/02/96	INTEREST RECEIVED ON FNB OF ELMER SAVINGS - PRINCIP PASSBOOK	3			2,963.64				
04/01/96	INTEREST RECEIVED ON U S TREAS 5 1/8% NOTE DTD 3/31/96 - DUE 3/31/96	1			3,843.75				
04/02/96	INTEREST RECEIVED ON FNB OF ELMER SAVINGS - PRINCIP PASSBOOK	3			2,827.34				
07/02/96	INTEREST RECEIVED ON FNB OF ELMER SAVINGS - PRINCIPAL PASSBOOK	3			768.59				
07/05/96	INTEREST RECEIVED ON U S TREAS 5.07% 13 WEEK BILL DTD 4/4/96 - DUE 7/5/96	1			5,572.80				
*** TOTAL NET AMOUNT				9.0000	15,976.12	0.00	0.00 0.00	0.00	0.00

DISBURSEMENTS

12/01/95	Administrative Expenses Surrogate of Salem County Filing Fee					135.00			
4/10/96	Alan Newkirk & Co. Prep. 1995 US & NJ 1041					175.00			
4/10/96	Internal Revenue Service 1995 Tax Form 1041					8,300.36			
4/10/96	State of NJ - T.G.I. 1995 Tax Form NJ1041					127.07			
7/18/96	Payment for Taxes - Internal RE21 Service - Penalty for underpayment 1995 Estimated Taxes					185.11			
7/18/96	Payment for Taxes - Internal 21 Revenue Service 1996 Form 1041ES due 4/15/96 & 6/17/96					5,000.00			

Schedule B.

STATEMENT OF ASSETS AS OF 08/21/96

ACCOUNT 49 SCHWERDLE TRUST "A" U/A 7/14/93 PAGE 1

UNITS	ASSET DESCRIPTION	INVESTMENT	MARKET VALUE
	TREASURY OBLIGATIONS		
430,000.0000	U S TREAS 5.19% 13 WEEK BILL DTD 7/18/96 - DUE 10/17/96	424,358.40	425,001.70
	* TOTAL TREASURY OBLIGATIONS	424,358.40	425,001.70
	OTHER ASSETS		
42,755.0800	FNB OF ELMER SAVINGS - INCOME PASSBOOK.	42,755.08	42,755.08
44,702.9300	FNB OF ELMER SAVINGS - PRINCIPAL PASSBOOK	44,702.93	44,702.93
	* TOTAL OTHER ASSETS	87,458.01	87,458.01
	** TOTAL INVESTMENTS	511,816.41	512,459.71
	CASH		
	PRINCIPAL CASH	0.00	0.00
	INCOME CASH	0.00	0.00
	** TOTAL CASH	0.00	0.00
	*** ACCOUNT TOTAL	511,816.41	512,459.71

SCHEDULE F

The following is a full statement showing how the commission requested with respect to corpus are computed and a summary of the assets or property not appearing in the account on which such commissions are based, together with a statement with regard to the computation of income commissions:

**Corpus Commissions under present Statute
(3B:18-25(a) and 3B:18-28 as amended)**

Annual Commissions	4,600.00
Distribution Commission - 500,000 x 2%. .	<u>10,000.00</u>
Total Corpus Commission	\$14,600.00

Income Commission

Total Income - \$32,012.36 x 6%.	\$ 1,920.74
--	-------------